

MHA says PHFI violated law by lobbying MPs, media on tobacco control

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NEW DELHI: The government has revoked the registration of Public Health Foundation of India (PHFI), an NGO funded by Bill & Melinda Gates Foundation, under the Foreign Contributions (Regulation) Act over alleged misuse of foreign funds for anti-tobacco lobbying, in violation of FCRA norms.

The home ministry's revocation of renewal of PHFI's FCRA licence has rendered it ineligible to receive any funding from abroad. A source said the main FCRA violation charge against the NGO, which has also worked in partnership with the ministry of health and family welfare, is that it had used foreign funds totalling Rs 43 crore to lobby with parliamentarians, media and government on tobacco control issues, which is not one of the five permitted activities under FCRA.

The five permitted activities for which NGOs can receive foreign contributions include social, cultural, religious, educational and economic. PHFI was registered under FCRA under the head "social and educational".

According to a home ministry official, PHFI received around Rs 43 crore for tobacco lobbying, which it misrepresented as 'research grants' in its FCRA returns. The officer added that an NGO was not permitted to lobby for tobacco control, which could only be done by an entity as a public relations company that must pay due taxes.

"Anti-tobacco lobbying is a valid and perfectly legal activity but not through zero-tax NGOs," the officer told TOI.

According to a source, PHFI received foreign contributions amounting to nearly Rs 150 crore in 2014-15 and Rs 200 crore in 2013-14. Bill & Melinda Gates Foundation accounted for nearly one-third of its foreign funding, USAID for around 10%, while the remaining donors included some leading western pharmaceutical companies such as GlaxoSmithKline.

PHFI, in a release issued on Wednesday, said it had received a notification from the home ministry regarding renewal of its FCRA Registration. "Certain observations have been made by the ministry on utilisation of funds related to PHFI's projects on tobacco, HIV/AIDS and its financial reports. PHFI has submitted the requisite information and documents to the MHA on the observations raised in the notification and provided the needed clarifications.

"PHFI is seeking an early resolution of the issue and continuation of the FCRA registration, based on the clarifications provided," it stated.

As per the PHFI website, the NGO was launched by former Prime Minister Manmohan Singh in 2006. The NGO provides technical assistance to central and state governments in several areas of engagement including HIV prevention, access to drugs, tobacco control and immunisation, etc. Many of these activities have been in partnership with the ministry of health and family welfare.

Source: <http://timesofindia.indiatimes.com/india/mha-says-phfi-violated-law-by-lobbying-mps-media-on-tobacco-control/articleshowprint/58271359.cms>